

Broadband internet access providers that provide last-mile connectivity should not be required to contribute to support universal access.

The public interest would not be served by requiring them to pay universal access fees, for the following reasons:

1. These companies already pay universal access fees indirectly, since these fees are included as part of their leased lines from telecommunications companies. They should not be double-charged without a compelling reason.
2. Where broadband-only companies expand into areas without phone service, they are providing an equivalent means of communication with the outside world. But they would not be eligible for a portion of the universal access fees, because universal access fees don't cover broadband. This puts them at a disadvantage compared to phone companies expanding into the same areas.
3. It should be investigated whether the decrease in broadband connectivity as a result of the fees would be offset by the increase in phone availability -- it's possible that it's cheaper to provide rural residents with broadband internet service than phone lines, and perhaps that would be the best solution.

Even if the Commission should decide to impose universal access fees, these fees should be revenue-based, rather than connection-based.

Many broadband providers in rural areas are small operations. Because of the high initial cost of providing broadband connections, and because they are working to make access more widely available, they turn little profit at this point. Imposing a per-connection fee could cause irreparable harm to their businesses -- it would slow their rate of growth, and might make profit on their existing lines impossible, causing the business to fold entirely. Either scenario would lead to a decrease in broadband availability for rural residents, and a lack of competition in these areas in the future.

This could be avoided by exempting small providers, exempting wireless providers, or exempting broadband providers in general.